

FASB | IASB Joint Transition Resource Group for Revenue Recognition
Submissions Log compiled by Staff
As of 2 November 2015

Submission number	Topic	Summary of issue	TRG Meeting Date and Summary	TRG paper reference	Current Status
1	Gross versus net revenue	How should an entity determine whether it is a principal or an agent to contracts for certain intangible goods or services? More specific questions include: (1) How should an entity apply the agency indicators in paragraph 606-10-55-39/IFRS 15, paragraph B37? (2) If an entity determines that it is the principal, which typically results in gross revenue, what amount of revenue should the entity recognize if it received a net amount of cash and does not know the gross amount? (3) How should the transaction price allocation guidance be applied to a transaction in which the entity is a principal for some deliverables and an agent for others?	18-Jul-14	No. 1	<p>Board members instructed the staff to perform additional research on the topic. The focus of the additional research was to understand whether there were specific improvements the Boards could make that would assist stakeholders with making difficult judgments about the principal versus agent assessment.</p> <p>The Boards made tentative decisions at a Joint Board meeting on June 22, 2015. The IASB issued an Exposure Draft that included this topic on July 30, 2015, and the comment period ended on October 28, 2015. The FASB issued a proposed Accounting Standards Update on principal versus agent considerations on August 31, 2015, and the comment period closed on October 15, 2015. Refer to the links below for the FASB proposed Accounting Standards Update and the IASB Exposure Draft.</p> <p>FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net) Exposure Draft: Clarifications to IFRS 15</p>
2	Gross versus net revenue	Should an entity present certain amounts billed to customers (for example, shipping and handling fees, other out-of-pocket expenses, and sales taxes) as revenue or as a reduction of costs?	18-Jul-14	No. 2	<p>Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.</p> <p>Note: After the July 18, 2014 TRG meeting, some TRG members and other stakeholders requested that the Boards consider including a practical expedient in the new revenue standard about the presentation of taxes collected from customers and remitted to governmental authorities. The research was discussed by the Boards at a Joint Board meeting on March 18, 2015. The FASB issued a proposed Accounting Standards Update that included the practical expedient on September 30, 2015, with the comment period ending on November 16, 2015. The IASB decided not to propose a similar practical expedient to IFRS 15. Refer to the links below for the FASB proposed Accounting Standards Update and the IASB staff paper and tentative decisions reached.</p> <p>FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients</p> <p>FASB Memo No. 1 & IASB Agenda Paper 7B: Revenue Recognition - Sales Tax Presentation IASB Update</p>
53	Income Statement Presentation of Excise Taxes	Should revenue be presented gross or net of excise taxes on a jurisdiction-by-jurisdiction basis?			The implementation question relates to the gross versus net revenue issue previously discussed at the July 18, 2014 TRG meeting. Refer to submission No. 2 for further details.

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3	Licenses	When is a contract in the scope of the sales-based and usage-based royalty exception and how is the exception applied?	18-Jul-14	No. 3	Board members instructed the staff to perform additional research and outreach about the implementation questions. The research was discussed by the Boards at a Joint Board Meeting on February 18, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on May 12, 2015, and the comment period closed on June 30, 2015. The FASB redeliberated the proposed Accounting Standards Update on October 5, 2015 and is in the process of drafting an Accounting Standards Update. The IASB issued an Exposure Draft that included this topic on July 30, 2015, and the comment period ended on October 28, 2015. Refer to the links below for the FASB proposed Accounting Standards Update and tentative decisions reached and the IASB Exposure Draft.
			26-Jan-15	No. 21	FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing Exposure Draft: Clarifications to IFRS 15 FASB Meeting Minutes
4	Impairment	Does use of the 'principles for determining the transaction price' to ascertain the future cash flows from the contract for impairment testing of capitalized contract costs mean that an entity cannot assume renewal or extension of the contract?	18-Jul-14	No. 4	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time. However, the Boards will compile issues like this one and decide at a later date whether to make a technical correction or minor improvement to clarify the Board's intent.
5	Options to acquire additional goods/services	When does an option given to acquire additional goods or services provide a 'material right' to the customer?	31-Oct-14	No. 6	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
6	Nonrefundable fees	In reference to Example 53 about an upfront nonrefundable fee in the new revenue standard: (1) is fee recognized only over one year because renewal options do not represent material right (2) is nominal nature of fee why renewal options do not represent a material right (3) would the answer change if entity expects customer to renew contract and (4) does guidance require that there be an explicit option to renew or can it be implicit based on past practice?	31-Oct-14	No. 6	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
7	Offsetting of contract positions	Should the contract assets, contract liabilities and receivables within a contract be offset and a net asset/liability be presented in the statement of financial position?	31-Oct-14	No. 7	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
8	Offsetting of contract positions	In contracts with multiple POs, how should a contract liability (for example, advance received) be set-off as the entity satisfies the performance obligations?	31-Oct-14	No. 7	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.

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9	Licenses	(1) New standard is unclear as to how usage restrictions should be evaluated in determining whether performance obligations exist within a contract (2) Does underlying IP inherently need to have potential to "change" in form or function in order to reach conclusion that license represents right to access IP? (3) In non-exclusive licensing arrangement, should licensor's activities of licensing the IP to others be considered (4) How should licensors evaluate the significance of activities expected to be undertaken?	31-Oct-14	No. 8	Board members instructed the staff to perform additional research and outreach about the implementation questions. The research was discussed by the Boards at a Joint Board Meeting on February 18, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on May 12, 2015, and the comment period closed on June 30, 2015. The FASB redeliberated the proposed Accounting Standards Update on October 5, 2015 and is in the process of drafting an Accounting Standards Update. The IASB issued an Exposure Draft that included this topic on July 30, 2015, and the comment period ended on October 28, 2015. Refer to the links below for the FASB proposed Accounting Standards Update and tentative decisions reached and the IASB Exposure Draft.
			26-Jan-15	No. 21	FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing Exposure Draft: Clarifications to IFRS 15 FASB Meeting Minutes
10	Separation	How should goods and/or services (both delivered and undelivered) be evaluated to determine whether they are distinct within the context of the contract?	31-Oct-14	No. 9	Board members instructed the staff to perform additional research and outreach about the implementation question. The research was discussed by the Boards at a Joint Board Meeting on February 18, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on May 12, 2015, and the comment period closed on June 30, 2015. The FASB redeliberated the proposed Accounting Standards Update on October 5, 2015 and is in the process of drafting an Accounting Standards Update. The IASB issued an Exposure Draft that included this topic on July 30, 2015, and the comment period ended on October 28, 2015. Refer to the links below for the FASB proposed Accounting Standards Update and tentative decisions reached and the IASB Exposure Draft.
			26-Jan-15	No. 22	FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing Exposure Draft: Clarifications to IFRS 15 FASB Meeting Minutes
11	Distinct within the context of the contract	When assessing whether the goods or service is dependent on or inter-related with other goods and services in the bundle, an entity will not always be able to assess the economic motivation of its customer and this could result in the determination of different performance obligations and recognition of revenue.	31-Oct-14	No. 9	Refer to submission No. 10.
			26-Jan-15	No. 22	
40	Identifying performance obligations	When determining whether a promise to transfer a good or service is separately identifiable, how are the factors included in paragraph 606-10-25-21/IFRS 15 paragraph 29 to be applied in practice?	31-Oct-14	No. 9	Refer to submission No. 10.
			26-Jan-15	No. 22	

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71	Distinct Performance Obligations	How should an entity identify distinct performance obligations in a contract involving supply of hardware, third party software, and services?	31-Oct-14	No. 9	Refer to submission No. 10.
12	Separation	Does the guidance about “series of distinct goods and services that are substantially the same and that have the same pattern of transfer” extend beyond repetitive service contracts?	26-Jan-15 30-Mar-15	No. 22 No. 27	The discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard. However, some TRG members and other stakeholders requested that the Boards consider changing this requirement to an optional practical expedient. The FASB included a question related to that topic in its Proposed Accounting Standards Update- Revenue from Contracts with customers (Topic 606): Identifying Performance Obligations and Licensing. The proposed Accounting Standards Update was redeliberated on October 5, 2015 and the FASB decided not to change the requirement to an optional practical expedient. The IASB did not ask a similar question in its Exposure Draft. Refer to the links below for the FASB proposed Accounting Standards Update and tentative decisions reached. FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing FASB Meeting Minutes
28	Identifying promised goods or services	How should an entity identify the promised goods or services in a contract with a customer?	26-Jan-15	No. 12	Board members instructed the staff to perform additional research and outreach about the implementation question. The research was discussed by the Boards at a Joint Board Meeting on February 18, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on May 12, 2015, and the comment period closed on June 30, 2015. The FASB redeliberated the proposed Accounting Standards Update on October 5, 2015 and is in the process of drafting an Accounting Standards Update. The IASB decided not to propose changes for this issue in its ED, <i>Clarifications to IFRS 15</i> . Refer to the links below for the FASB proposed Accounting Standards Update, IASB staff papers, and the related tentative decisions reached. FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing IASB Agenda Paper 7C: Revenue from Contracts with Customers - Identifying Performance Obligations FASB Meeting Minutes IASB Update

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29	Shipping service	Is the shipment of goods (or arranging the shipment) a separate performance obligation?	26-Jan-15	No. 22	Board members instructed the staff to perform additional research and outreach about the implementation question. The research was discussed by the Boards at a Joint Board Meeting on February 18, 2015. The FASB issued a proposed Accounting Standards Update that included an accounting policy election for shipping after transfer of control on May 12, 2015, and the comment period closed on June 30, 2015. The FASB redeliberated the proposed Accounting Standards Update on October 5, 2015. The IASB decided not to propose changes for this issue in its ED, <i>Clarifications to IFRS 15</i> . Refer to the links below for the FASB proposed Accounting Standards Update, IASB staff paper, and the related tentative decisions reached. FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing IASB Agenda Paper 7C: Revenue from Contracts with Customers - Identifying Performance Obligations FASB Meeting Minutes IASB Update
64	Distinct Performance Obligations	Under what circumstances is an entity required to account for shipping as a separate promise to the customer?	26-Jan-15	No. 22	Refer to submission No. 29.
13	Variable Consideration	(1) The submitter observes that the variable consideration constraint may result in a significant delay in timing of revenue recognition for asset manager performance-based fees when compared to current application of Method 2 alternative in SEC guidance ASC 605-20-S99. (2) Are carried interests (a type of performance fees) included within the scope of the new standard? (3) If termination provisions exist in a contract, can revenue be recognized on an interim basis for the amount guaranteed in the termination clause?	31-Oct-14	No. 10	Implementation question #3, which may be applicable to other industries beyond asset managers, was discussed at the October 31, 2014 TRG meeting. Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time. Refer to submission No. 82 for the status of implementation question #2 about carried interest.
15	Collectibility	For a group of combined contracts, what amount of revenue should be recognized when there is an amount of the total transaction price that the entity does not consider to be probable for collection?	26-Jan-15	No. 13	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
16	Collectibility	What is the basis for concluding that a decline in the customer's financial condition is significant enough to warrant a reassessment of the collectibility criteria for a contract to exist?	26-Jan-15	No. 13	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.

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Submission number	Topic	Summary of issue	TRG Meeting Date and Summary	TRG paper reference	Current Status
25	Collectibility	How should an entity account for cash received in a long term contract when the entire transaction price is not probable of collection?	26-Jan-15	No. 13	<p>Board members instructed the staff to perform additional research and outreach about the implementation question. The research was discussed by the Boards at a Joint Board Meeting on March 18, 2015 and by the FASB at a Board meeting on August 31, 2015. At that meeting, the FASB decided to clarify the collectibility guidance. The FASB issued a proposed Accounting Standards Update that included this topic on September 30, 2015, with the comment period ending on November 16, 2015. The IASB decided not to propose any changes to the collectibility guidance in its ED, <i>Clarifications to IFRS 15</i>. Refer to the links below for the FASB proposed Accounting Standards Update and the IASB staff paper and tentative decisions reached.</p> <p>FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients</p> <p>IASB Agenda Paper 7B: Revenue from Contracts with Customers - Collectibility Considerations</p> <p>IASB Update</p>
30	Collectibility	(1) Under what circumstances could an entity determine at contract inception that it was probable that it will collect the consideration to which it will be entitled but then concurrently record an impairment loss (e.g., bad debt expense) for a contract asset arising from the contract? (2) When would an entity meet the criteria in order to record revenue for an arrangement that is not within the scope of the model due to collectibility concerns?	26-Jan-15	No. 13	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
58	Implicit Price Concession	How should an entity distinguish the difference between "failure to collect" and "implicit price concession"?	26-Jan-15	No. 13	See Memo No. 13
31	Variable Consideration	Should the constraint on variable consideration be applied at the contract level or the performance obligation level?	26-Jan-15	No. 14	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
19	Variable consideration and consideration payable to the customer	Should an entity account for consideration it expects to pay its customers from a planned coupon drop when the performance obligation is satisfied (good or service transferred) in accordance with paragraph 606-10-32-6/IFRS 15 Paragraph 51 or when the entity promises to pay consideration in accordance with paragraph 606-10-32-27/IFRS 15 Paragraph 72?	26-Jan-15	No. 14	Because the discussions indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
			30-Mar-15	No. 28	
			13-Jul-15	No. 37	

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32	Consideration payable to a customer	(1) Are entities required to apply the guidance on consideration payable to a customer at the contract level or more broadly to the entire "customer relationship"? (2) Is the guidance on payments made to a customer or "to other parties that purchase the entity's goods or service from the customer" meant to apply only to customers in the distribution chain or more broadly to any customer of an entity's customer? (3) What is the correct timing of recognizing consideration payable to a customer that is anticipated, but not yet promised, to the customer (4) Should "negative revenue" (consideration payable exceeds consideration to be received) be reclassified to an expense?	26-Jan-15 30-Mar-15 13-Jul-15	No. 14 No. 19 No. 28 No. 37	Because the discussions indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
47	Consideration payable to a customer	How does an entity account for payments to a customer that flow through from the entity to an intermediary, such as a dealer, agent, distributor, or retailer, and then to the final end customer?	30-Mar-15 13-Jul-15	No. 28 No. 37	Because the discussions indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
20	Noncash consideration received from a customer	What is the measurement date for noncash consideration received from a customer?	26-Jan-15	No. 15	Board members instructed the staff to perform additional research and outreach about the implementation questions. The research was discussed by the Boards at a Joint Board Meeting on March 18, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on September 30, 2015, with the comment period ending on November 16, 2015. The IASB decided not to propose any changes to the noncash consideration guidance in its ED, <i>Clarifications to IFRS 15</i> . Refer to the links below for the FASB proposed Accounting Standards Update and the IASB staff paper and tentative decisions reached. FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients IASB Agenda Paper 7C: Revenue from Contracts with Customers - Non-cash Consideration IASB Update

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26	Noncash consideration received from a customer	When and how should an entity recognize changes in the fair value of noncash consideration when those changes are due solely to the form of the consideration?	26-Jan-15	No. 15	Board members instructed the staff to perform additional research and outreach about the implementation questions. The research was discussed by the Boards at a Joint Board Meeting on March 18, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on September 30, 2015, with the comment period ending on November 16, 2015. The IASB decided not to propose any changes to the noncash consideration guidance. Refer to the links below for the FASB proposed Accounting Standards Update and the IASB staff paper and tentative decisions reached. FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients IASB Agenda Paper 7C: Revenue from Contracts with Customers - Non-cash Consideration IASB Update
33	Stand-ready obligations	To determine the appropriate pattern of revenue recognition for various types of stand-ready obligations, is the nature of the good or service underlying the performance obligation the mere act of standing ready or is it the actual delivery of the underlying goods or services which the entity stands ready to provide?	26-Jan-15	No. 16	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
34	Islamic Financing Transactions	Do deferred-payment transactions have to first pass through IFRS 15 before being reported under IFRS 9 since an Islamic Financial Institution (IFI) must possess the underlying assets, even for a very short period of time, with all risks and rewards incidental to ownership before the subsequent sale.	26-Jan-15	No. 17	The IASB staff have reported back to the Shariah-Compliant Instruments and Transactions Consultative Group. Because the comments from the TRG members indicated that the relevant guidance in the standard could help an IFI reach conclusions on the applicability of the new revenue standard to those contracts, the IASB staff does not recommend that the IASB take any further action at this time.
35	Material right	(1) When a contract with a customer includes a “material right” how should an entity account for the customer’s exercise of the right (option)? (2) If an option creates a material right that is accounted for as a performance obligation, would an entity need to consider if a significant financing component exists for that option? (3) How should an entity account for an upfront [activation] fee received upon signing up the customer for a monthly service but does not itself result in the transfer of a good or service to the customer (thus, is not a performance obligation on its own)?	26-Jan-15	No. 18	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
36	Significant financing component	(1) Should the factor in 606-10-32-17(c) be applied broadly (consistent with Example 30 of Topic 606)? (2) If the implied interest rate in an arrangement is zero (i.e., interest free financing) such that the consideration to be received is equal to the cash selling price, does a financing component exist? (3) How should an entity adjust for the time value of money in situations in which the consideration is received upfront and revenue is recognized over multiple years?	30-Mar-15 26-Jan-15	No. 32 No. 20	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
			30-Mar-15	No. 30	

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23	Significant financing component	As a practical expedient, revenue does not need to be adjusted for a significant financing component if the period between the entity provides the good or service and the customer pays for that good or service is less than one year. In an arrangement with an upfront deliverable and monthly service fees, in determining whether the period is less than one year, should entities apply the full monthly consideration as a payment for the first good or service delivered (i.e. following a first-in-first-out approach) or should the monthly consideration be proportionately allocated between the equipment and the services?	26-Jan-15	No. 20	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
			30-Mar-15	No. 30	
37	Costs to obtain a contract	Do certain commission payments, specifically payments that are earned after the initial contract is obtained or payments that are contingent upon certain events meet the requirements in ASC 340-40 for capitalization. If so, (1) what amounts should be capitalized and (2) what is the appropriate period of amortization?	26-Jan-15	No. 23	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
38	Transition	How should entities evaluate contract modifications, often numerous, that occurred prior to the date of the initial application of the new revenue standard, and when would it be deemed impracticable to do so?	26-Jan-15	No. 24	Board members instructed the staff to perform additional research and outreach about the implementation questions. The research was discussed by the Boards at a Joint Board Meeting on March 18, 2015. The IASB issued an Exposure Draft that included this topic on July 30, 2015, and the comment period ended on October 28, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on September 30, 2015, with the comment period ending on November 16, 2015. Refer to the links below for the FASB proposed Accounting Standards Update and the IASB Exposure Draft. FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients Exposure Draft: Clarifications to IFRS 15
41	Contributions	Are contributions to not-for-profit entities in scope of Topic 606?	30-Mar-15	No. 26	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
27	Separation	Should an "insurance" element in a warranty covering post-transaction failures be a service that should be treated as a separate performance obligation?	30-Mar-15	No. 29	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
51	Allocation of variable discount	When a transaction includes a discount that is also variable, should an entity look to the guidance for allocating a discount or the guidance for allocating variable consideration to determine if the variable discount should be allocated to the entire contract or to a specific part of the contract?	30-Mar-15	No. 31	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
49	Partially satisfied performance obligations	(1) How should an entity recognize revenue once the criteria in 606-10-25-1 [15.9] are met if a performance obligation is partially satisfied as of that date? (2) How should an entity account for costs incurred in the period prior to meeting the criteria in 606-10-25-1 [15.9]?	30-Mar-15	No. 33	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
57	Restocking Fees	When should an entity account for restocking fees for products expected to be returned? When accounting for the transfer of products with the right of return, are entities required to accrue the costs to recover expected product returns (for example, estimated shipping or repackaging costs)?	13-Jul-15	No. 35	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.

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62	Scope	Are the rights and obligations of a card issuing bank's contract with the cardholder in the scope of Topic 606? Are cardholder rewards programs performance obligations subject to Topic 606?	13-Jul-15	No. 36	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
50	Portfolio method and constraint	(1) When should the evaluation of the variable consideration constraint be performed at the individual contract level or using a portfolio of contracts? (2) What is the appropriate transaction price when the entity has multiple similar and independent contracts?	13-Jul-15	No. 38	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
72	Application of the Series Guidance	In what circumstances could a services arrangement with a single performance obligation include a series of distinct goods or services that are substantially the same with the same pattern of transfer and how should the variable consideration guidance be applied to those arrangements?	13-Jul-15	No. 39	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
45	Application of the Practical Expedient for Measuring Progress	Does a minimum payment requirement or volume discount term in a contract negate the ability to use the practical expedient outlined in paragraph 606-10-50-14/IFRS paragraph 121 (which references paragraph 606-10-55-18/IFRS paragraph B16) and result in the need to for disclosure of the transaction price related to unsatisfied performance obligations at the end of a reporting period?	13-Jul-15	No. 40	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
61	Application of the Practical Expedient for Measuring Progress	Does BC163 preclude an entity from considering market price or standalone selling prices when assessing value to the customer? Could the practical expedient in paragraph 606-10-55-18 [B16] be applied to a contract with tiered pricing and/or an upfront fee in certain facts and circumstances? Is there sufficient guidance in the revenue standard to determine in which circumstances the practical expedient in paragraph 606-10-55-18 [B16] can be applied?	13-Jul-15	No. 40	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
48	Measure of progress	How should entities determine the measure of progress when a single performance obligation contains multiple promises or activities?	13-Jul-15	No. 41	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
73	Completed Contracts at Transition	When is a contract considered "completed" for purposes of applying the transition guidance? How should an entity account for "completed contracts" after adoption of the new standard?	13-Jul-15	No. 42	Board members instructed the staff to perform additional research and outreach about the implementation question. The research was discussed by the FASB on August 31, 2015 and the IASB on September 22, 2015. The FASB issued a proposed Accounting Standards Update that included this topic on September 30, 2015, with the comment period ending on November 16, 2015. The IASB decided not to propose changes. Refer to the links below for the FASB proposed Accounting Standards Update and the IASB staff papers and tentative decisions reached. FASB Proposed Accounting Standards Update - Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients IASB Agenda Paper 7: Revenue from Contracts with Customer - Accounting for Completed Contracts on Transition to IFRS 15 IASB Update

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Submission number	Topic	Summary of issue	TRG Meeting Date and Summary	TRG paper reference	Current Status
66	Over Time Recognition	When determining if a promise to deliver a commodity meets the over time criterion that “the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs”, does an entity need to consider (1) the inherent characteristics of the commodity or (2) whether the facts and circumstances (including terms of the contract) suggest that the commodity will be immediately received and consumed by the customer?	13-Jul-15	No. 43	Because the discussion indicated that stakeholders can understand and apply the applicable guidance in the new revenue standard, the Boards do not plan any further action at this time.
81	Licenses	How should the software industry apply the guidance in ASC 606-10-55-42 and ASC 606-10-55-65 when accounting for a customer’s option to purchase or use additional copies of software?	09-Nov-15	No. 45	Pending discussion at November 9, 2015 TRG Meeting
85	Licenses	(1) When should revenue be recognized related to renewals of time-based right-to-use (point in time) licenses? (2) How should entities account for license contracts in which the customer’s rights accrue over time? (3) How should entities account for distinct rights that are added by modifying an original license agreement when the modification is not combined with the original contract (in accordance with the contract combinations guidance)?	09-Nov-15	No. 45	Pending discussion at November 9, 2015 TRG Meeting
79	Scope	Does Topic 606 apply to the accounting for pre-production costs, including tooling, by automotive suppliers?	09-Nov-15	No. 46	Pending discussion at November 9, 2015 TRG Meeting
84	Scope	Should gaming transactions be within the scope of FASB ASC Topic 606 or are they accounted for as derivative transactions under FASB ASC Topic 815?	09-Nov-15	No. 47	Pending discussion at November 9, 2015 TRG Meeting
67	Determining the Enforceable Rights and Obligations in a Contract	When, if ever, should ‘optional’ goods or services be concluded to represent enforceable rights and obligations in a contract and therefore treated as performance obligations? When ‘optional’ purchases are treated as performance obligations, is the performance obligation always the ‘material right’ (i.e., a right to acquire the goods or services in the future typically due to favorable pricing) or are there instances where the performance obligation is the actual underlying goods or services? How should a termination right, including a penalty payment, be considered when determining the enforceable rights and obligations for ‘optional’ goods or services? In what, if any, scenarios should a right to terminate a contract and incur a penalty be treated consistently with the accounting for optional goods/services (e.g. a material right)?	09-Nov-15	No. 48	Pending discussion at November 9, 2015 TRG Meeting
17	Impairment	(1) If an entity capitalizes a sales commission on a sale with all payment received at inception, is an impairment loss needed since the capitalized amount exceeds net future cash flows? Or is the outstanding contract liability (amount to be recognized as revenue) included for purposes of the impairment test? (2) What triggers need to tests capitalized costs for impairment?			[A]
18	Impairment	In paragraph 340-40-35-5/IFRS 15 Paragraph 103, what is the correct order of impairment testing between Topic 350/IAS 38 (Intangibles - Goodwill and other), Topic 360/IAS 16 (Property, plant, and equipment), and Topic 330/IAS 2 (Inventories) to recognizing an impairment on an asset recognized for incremental cost of obtaining a contract?			[A]

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Submission number	Topic	Summary of issue	TRG Meeting Date and Summary	TRG paper reference	Current Status
68	Scope	Paragraph 606-10-15-2(b) states "Insurance contracts within the scope of Topic 944, Financial Services-Insurance." Submitter requests this guidance be amended to state "Contracts within the scope of Topic 944, Financial Services-Insurance" because Topic 944 includes guidance for insurance contracts and guidance for investment contracts that do not subject the insurance entity to insurance risk. All of the contracts within the scope of Topic 944 should be excluded from the scope of Topic 606.			[A]
14	Enforceable rights and obligations	Should the enforceable rights and obligations be considered from the customer's perspective when assessing Step 1, identify the contract?			[C]
21	Portfolio method	Should materiality be assessed at the contract level or the consolidated financial statement level in determining whether an entity reasonably expects that the effects on the financial statements of applying new guidance to a portfolio of contracts would not materially differ from application at the contract level?			[C]
22	Stand-alone selling price	In a contract with a bundle of goods and services, should the stand-alone selling price be determined by reference to the stand-alone selling price of the performance obligation or of the smallest distinct service within the performance obligation?			[C]
24	Amortization of contract costs	When an entity presents the analysis of expenses using a classification based on their nature, should the amortization of capitalized contract costs be classified as sales commission or as part of the depreciation and amortization expense in the income statement or in the notes?			[C]
39	Contract balance disclosures	Are disclosure requirements in IFRS paragraph 116 (b) and (c) strictly quantitative or not?			[C]
42	Gross versus net revenue	(1) Is a gift card consideration payable to a customer or a PO? (2) If it is a PO, is the entity a principal or agent?			[C]
43	Amortization of contract fulfilment costs	Request for a practical expedient to expense contract fulfilment costs where the amortization period of the asset is one year or less, similar to the current practical expedient for incremental costs of acquiring a contract.			[C]
44	Presentation of contract assets and liabilities	(1) Systems implementation challenge in calculating net contract asset or liability on a contract by contract basis. (2) Perceived inconsistency of IFRS 15 requirement to present either a net contract asset or liability with IAS 32 requirements for netting financial assets and liabilities.			[C]
46	Gross versus net revenue	Under IFRS 15, the sell-in and sell-through methods of accounting will produce significantly different handset and service revenue results, depending on interpretation of principal versus agent guidance. Clarity is required on the assessment of control and principal versus agent for indirect channels in the telecommunication industry.			[C]
52	Measure of progress	When an input method is used to measure an entity's progress towards complete satisfaction of performance obligation, specifically in a real estate development where revenue is recognised over time, should an entity factor in the land acquisition cost to determine the revenue to be recognised? When measuring progress, does acquisition of land depict an entity's performance in transferring control of the good?			[C]

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Submission number	Topic	Summary of issue	TRG Meeting Date and Summary	TRG paper reference	Current Status
54	Licenses	When should an entity recognize revenue for a multi-year license when access for all years is delivered up-front?			[C]
55	Satisfaction of Performance Obligations	What constitutes satisfaction of a performance obligation?			[C]
56	Performance Obligations Satisfied Over Time	What is the degree of evidence required in order to establish the existence and enforceability of a right to payment, and how should the degree of evidence required, be assessed? In particular, what level of legal certainty is needed in order to determine if a right for payment indeed is enforceable? Are court decisions necessary, or in their absence, may an entity rely upon a legal opinion?			[C]
59	Disclosure requirements	Should onerous contract liabilities be disclosed under IFRS 15 Revenue from Contracts with Customers or IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> ?			[C]
60	Scope	Should an entity determine whether a contract within the scope of ASC 944 may be partially within the scope of ASC 606?			[C] At the July 13, 2015 meeting, the TRG discussed a scope question related to credit card arrangements (Agenda Ref No. 36). That paper provided an analysis on navigating the guidance to determine whether an arrangement is in the scope of another Topic or partially in the scope of Topic 606. Refer to submission No. 62 for further details.
63	Satisfaction of Performance Obligations	How should an entity evaluate significant non-refundable advance payments in the Step 5 assessment about whether an entity is practically restricted from selling an asset to another customer?			[C]
65	Satisfaction of Performance Obligations	In determining whether a product has an alternative use, how should an entity assess whether it is contractually restricted or practically restricted?			[C]
69	Sales and Usage Based Royalties	Is it acceptable under the new revenue standard to recognize revenue related to a sales or usage based royalty received in consideration for a license of intellectual property on a lag to correspond with the time the entity obtains the actual sales or usage information or are entities required to estimate the sales or usage and recognize revenue in the period the sale or usage occurs?			[C]
70	Disclosure Requirements	How should an entity apply the disclosure requirements for the balances of contract assets and contract liabilities?			[C]
74	Scope	Are mortgage insurance contracts within the scope of Topic 606?			[C]
75	Variable Consideration	How should an entity estimate variable consideration using the most likely amount method?			[C]
76	Practical Expedient for Measuring Progress	(1) Can the measurement practical expedient be applied when the right to consideration is not a present right and, if yes, how would it be applied? (2) Would unit rate variations among contracts affect the application of the practical expedient?			[C]
78	Significant financing component	Is it acceptable to allocate the transaction price to two or more performance obligations before calculating the significant financing component (SFC)? How should a subsequent change in the expected timing of satisfaction of one of the performance obligations (but no change in the timing or amount of cash payments by the customer) be accounted for in a contract with multiple performance obligations and a SFC?			[C]

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Submission number	Topic	Summary of issue	TRG Meeting Date and Summary	TRG paper reference	Current Status
80	Contract fulfillment costs	Request to add a practical expedient to the guidance related to costs to fulfill a contract, similar to the guidance in incremental costs of obtaining a contract.			[C]
83	Implicit Price Concession	(1) How should an entity determine whether an implicit price concession exists in a contract, particularly when the entity has a history of pursuing collection of the entire amount billed? (2) How should an entity account for contracts with implicit price concessions at initial recognition and when there are subsequent changes in the transaction price relating to the amount expected to be received?			[C]
86	Combination of contracts	How should 'at or near the same time' be assessed when considering whether to combine contracts as a single contract?			[C]
87	Allocating the transaction price to performance obligations	Is it acceptable to allocate the transaction price in a multi-element arrangement by reference to a range of estimated standalone selling prices?			[C]
77	Contract modifications	Should a blend-and-extend contract modification be accounted for as a separate contract or as if it was the termination of the existing contract, and the creation of a new contract?			[B]
82	Scope	Are incentive-based capital allocations, such as carried interest, within the scope of FASB ASC Topic 606?			[B]

[A] The staff is compiling issues of this nature and will ask the Boards to decide at a later date whether to make a technical correction or minor improvement to the articulation of the guidance for each item.

[B] The issue has not yet been scheduled for discussion at a TRG meeting, but the issue may be discussed at a future TRG meeting.

[C] The staff discussed this issue with the submitter directly. The staff do not plan to discuss the question at a TRG meeting.